

ORIGINAL



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1 BEFORE THE ARIZONA CORPORATION COMMISSION
2 RECEIVED

3 **COMMISSIONERS**

4 KRISTIN K. MAYES, Chairman
5 GARY PIERCE
6 PAUL NEWMAN
7 SANDRA D. KENNEDY
8 BOB STUMP

2009 APR 13 P 4:41 Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

APR 13 2009

DOCKETED BY

[Signature]

9 IN THE MATTER OF THE APPLICATION OF
10 VALENCIA WATER COMPANY – TOWN
11 DIVISION FOR THE ESTABLISHMENT OF
12 JUST AND REASONABLE RATES AND
13 CHARGES FOR UTILITY SERVICE DESIGNED
14 TO REALIZE A REASONABLE RATE OF
15 RETURN ON THE FAIR VALUE OF ITS
16 PROPERTY THROUGHOUT THE STATE OF
17 ARIZONA

DOCKET NO. W-01212A-09-0082

**MOTION FOR APPROVAL
OF ARSENIC SURCHARGE**

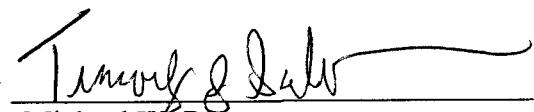
18 Valencia Water Company – Town Division (“Valencia”) moves that the Commission
19 approve an arsenic surcharge to compensate Valencia for its unrecovered investments and expenses
20 in complying with the revised federal arsenic maximum contaminant level (MCL). Valencia
21 invested more than \$3 million in arsenic treatment facilities, and it incurs annual operating
22 expenses of more than \$70,000. These investments and expenses are not recovered under
23 Valencia’s current rates. The surcharge will allow Valencia the opportunity to recover these
24 investments and expenses, which were imposed by the federal government.

25 This motion is supported by the attached testimony of Graham Symmonds and Jamie Moe.
26 Mr. Symmonds describes the difficulties of arsenic treatment for Valencia, and provides an
27 overview of Valencia’s arsenic treatment systems. Mr. Moe describes how the proposed surcharge
28 was calculated in accordance with standard Arsenic Cost Recovery Mechanism (ACRM) methods.
29 Mr. Moe proposes an arsenic surcharge of \$4.32 to the monthly minimum charge, and \$0.52 per
30 1,000 gallons for the commodity rate. Also attached are the standard ACRM schedules used in
31 prior ACRM cases. Mr. Moe sponsors the schedules as part of this testimony.

1 Valencia requests that the Commission approve the arsenic surcharge as described in Mr.
2 Moe's testimony. The surcharge will terminate upon approval of a final decision adopting revised
3 rates and charges in Valencia's pending general rate case.

4 RESPECTFULLY SUBMITTED this 13 day of April 2009.

5 ROSHKA DEWULF & PATTEN, PLC
6

7 By 
8 Michael W. Patten
9 Timothy J. Sabo
One Arizona Center
10 400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
11

12 *Attorneys for Valencia Water Company*
– Town Division
13

14 Original +13 copies of the foregoing
filed this 12 day of April 2009, with:

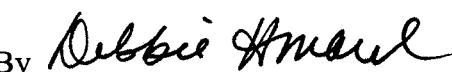
15 Docket Control
16 Arizona Corporation Commission
1200 West Washington
17 Phoenix, AZ 85007

18 Copies of the foregoing hand-delivered/mailed
this 13rd day of April 2009, to:

20 Lyn A. Farmer, Esq.
Chief Administrative Law Judge
21 Hearing Division
Arizona Corporation Commission
22 1200 West Washington
Phoenix, AZ 85007
23

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By 

27

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

IN THE MATTER OF THE APPLICATION OF
VALENCIA WATER COMPANY – TOWN DIVISION
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES FOR UTILITY
SERVICE DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF ITS
PROPERTY THROUGHOUT THE STATE OF
ARIZONA

DOCKET NO. W-01212A-09-0082

Supplemental Testimony

of

Graham Symmonds

In support of Arsenic Surcharge

April 13, 2009

1 **I. Introduction.**

2

3 **Q. Please state your name and business address.**

4 A. My name is Graham Symmonds. My business address is 21410 North 19th Avenue, Suite
5 201, Phoenix, Arizona 85027.

6

7 **Q. Are you the same Graham Symmonds who filed Direct Testimony in this case?**

8 A. Yes.

9

10 **Q. What is the purpose of this supplemental testimony?**

11 A. To support Valencia Water Company – Town Division’s (“Valencia”) request for an
12 Arsenic Surcharge.

13

14 **Q. Can you describe the Valencia water system?**

15 A. The Valencia system is comprised of six EPDS¹ water delivery systems. Each one of these
16 systems must be separately treated and monitored in order to meet the requirements of the
17 Safe Drinking Water Act. This has enormous impacts on the efficiency potential for the
18 system.

19

20 A map of the Valencia system, showing Arsenic levels, is attached as Attachment
21 Symmonds-1.

22

23 Valencia currently provides approximately 1.86 million gallons of water per day to the
24 customers². The Valencia’s raw water wells range from 14 to 30 ug/L of arsenic. The
25 USEPA reduced the MCL³ for arsenic from 50 ug/L to 10 ug/L effective 23 January 2006.

26 ¹ EPDS = Entry Point to the Distribution System. The EPDS marks the point where the water
27 must meet all conditions of the Safe Drinking Water Act.

² Average Annual Flow calculated from Water Use Data Sheet Dec 07 to Dec 08.

³ MCL = Maximum Contaminant Level

1 As a result, all of Valencia's water is required to be treated for arsenic removal.⁴ This
2 treatment occurs by way of ArsenXnp adsorption technology, or by coagulation/filtration.
3 In both cases, the utility treats a slipstream flow from the wells and blends this with raw
4 water from the well to meet the arsenic MCL in order to be as efficient as possible.

5
6 **Q. What has this meant for operating costs at Valencia?**

7 A. Valencia's arsenic treatment plans were developed by the prior owners. As a result, this
8 system suffers from the fate of many small water companies, that is, they chose small, less-
9 capital intensive infrastructure, which typically means higher operations and maintenance
10 costs.

11
12 This is a perfect example of the peril of developer-led infrastructure.

13
14 Developer-led infrastructure is a double-edged sword – the utility initially can avoid the
15 requirement to invest in the capital infrastructure by allowing off-site plant to be paid for,
16 and controlled by, the development community. Unfortunately, the development
17 community has no incentive to provide more than the minimum requirements for
18 infrastructure. In their business model this makes total sense – minimize the capital
19 investment required to sell homes.

20
21 However, this philosophy is at odds with what should be the utility's objective: reliable,
22 cost efficient *service in perpetuity*.

23
24
25
26

⁴ This is an example of how the lack of integration of water, wastewater and recycled water is
27 folly. The lack of availability of recycled water in the Valencia community means that all water –
regardless of its intended use – must be treated to potable standards, and must therefore be treated
for arsenic.

1 The result of this philosophy is that Valencia's operating costs are higher than if a regional
2 solution, consolidating water production facilities and integrating water, wastewater and
3 recycled water resource management had been deployed.

4
5 This can be demonstrated by comparing the production costs of Valencia against those of
6 Global Water – Santa Cruz Water Company (“Santa Cruz”).⁵

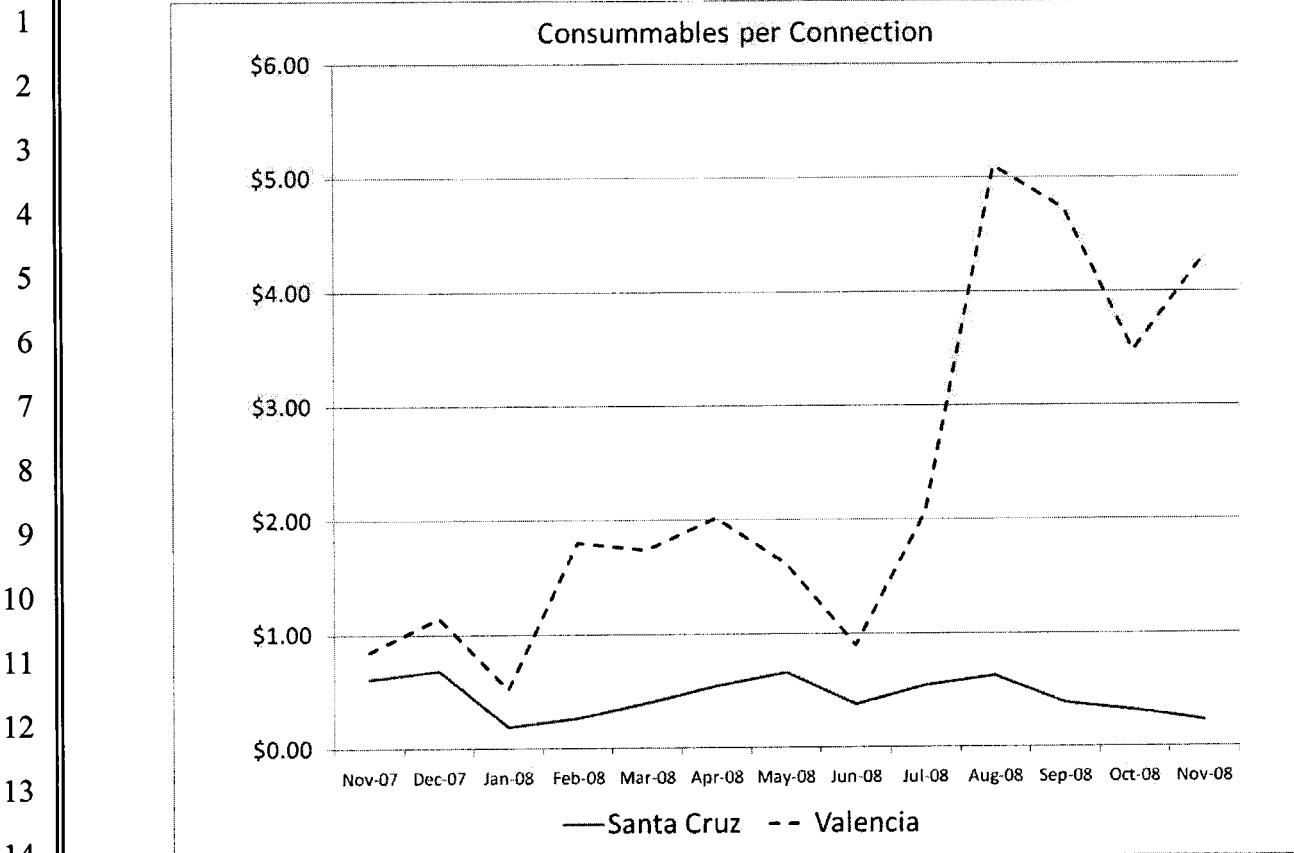
7
8 The following graphs show the dramatic impact that regional planning can have on the
9 long-term health of a utility.

10
11 CONSUMABLES

12 The following graph compares the consumables costs per connection for Valencia and
13 Santa Cruz. Due to Valencia's reliance on ArsenXnp as a treatment methodology (which
14 started regeneration cycled in the last half of 2008 resulting in the jump shown on the
15 graph), and the fact that there are six treatment systems, the costs are more than four times
16 that of Santa Cruz, which uses blending as a means of achieving compliance with the
17 arsenic MCL. While the water quality in Valencia requires that a certain amount of water
18 be treated for arsenic, a regional scale system that would allow for greater flexibility and
19 cost containment would have resulted in lower costs. In the case of consumables and
20 media, having to operate and maintain six different delivery systems is inefficient –
21 particularly when one considers that the entire Valencia service territory is only 12 square
22 miles.

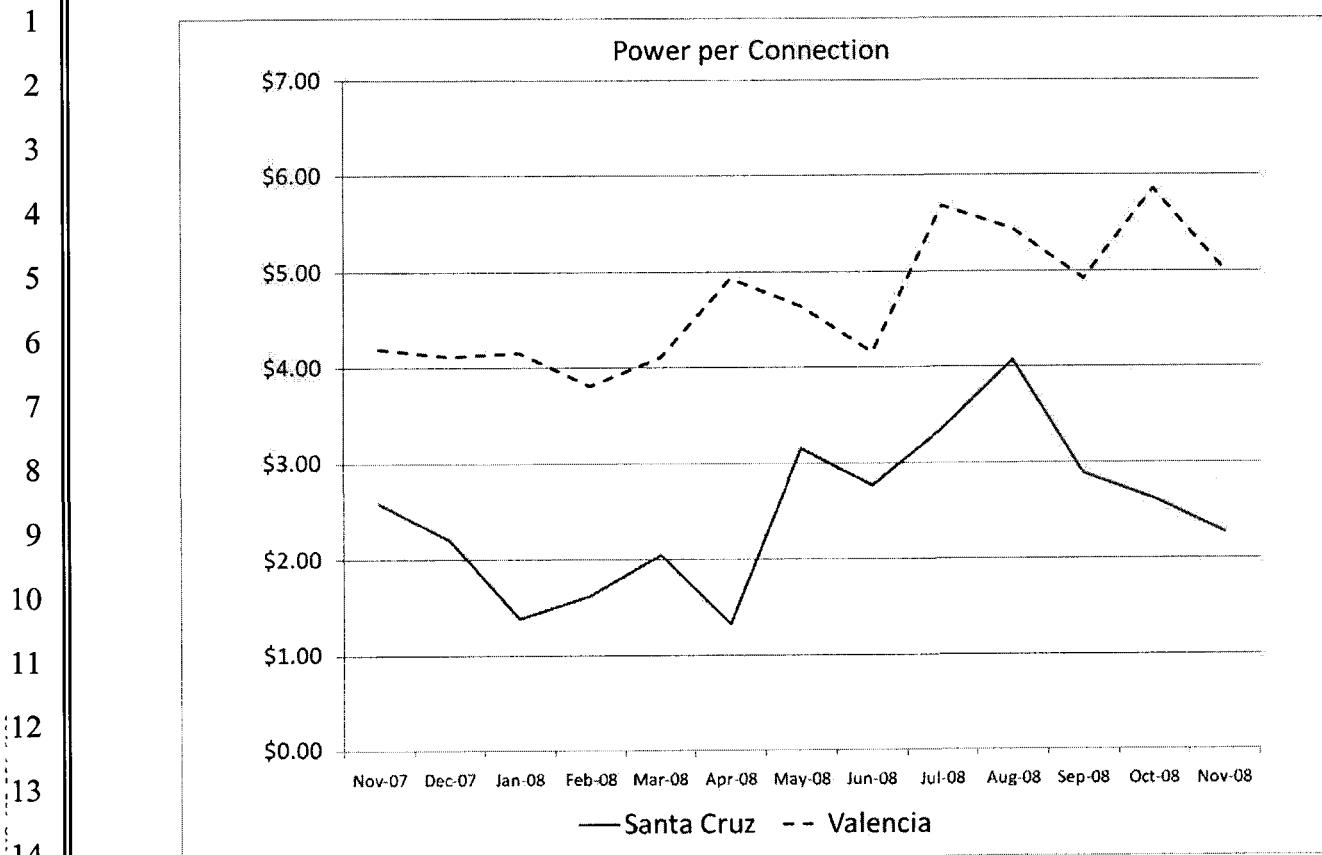
23
24
25
26

⁵ SCWC also has individual wells that exceed the arsenic MCL. However, in SCWC's case,
27 treatment can be effected by regional blending because the design of the water system anticipated
 this impact and so a raw water delivery system was installed to centralized treatment/distribution
 facilities.



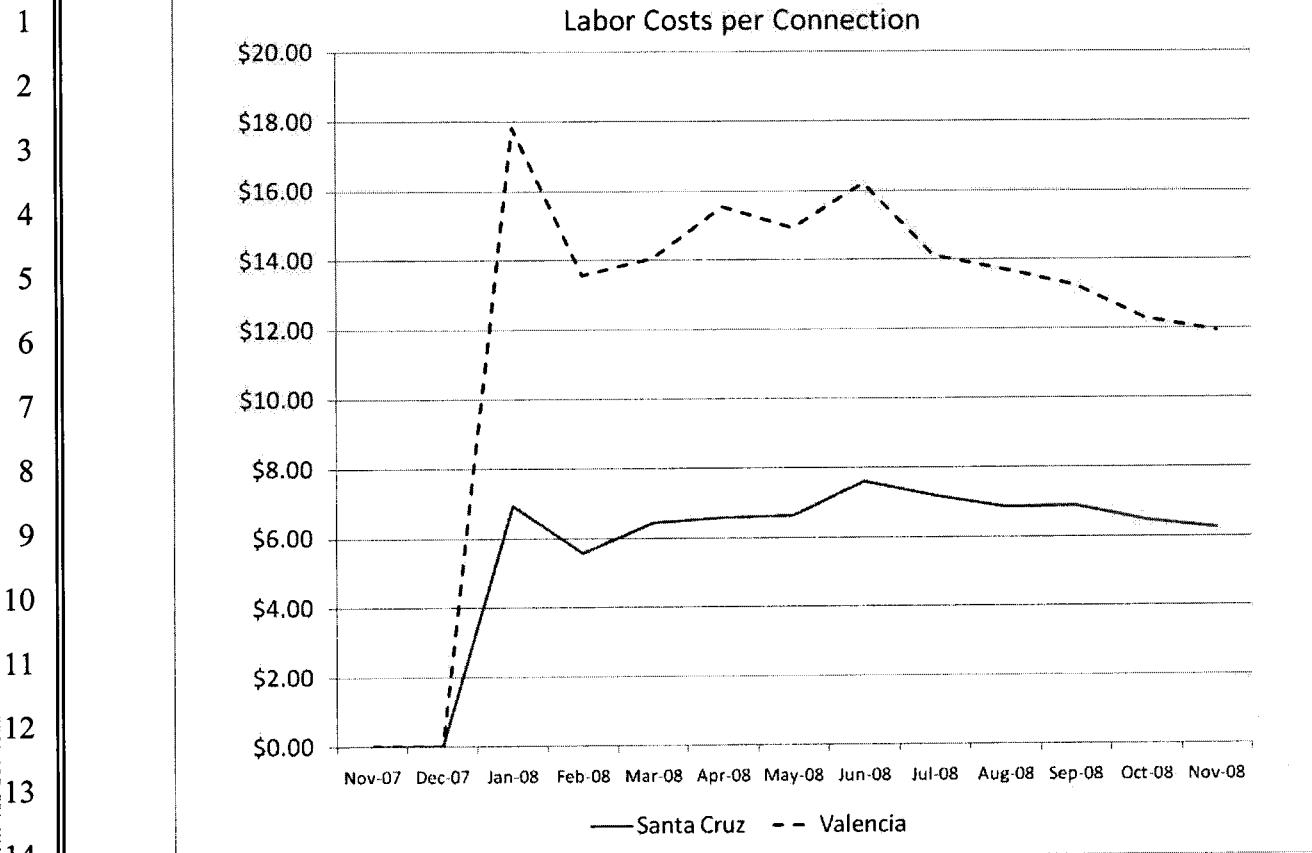
POWER

The graph below shows the differences in power costs associated with Valencia and Santa Cruz, normalized to a per-connection metric. Due to the many EPDS points (six to serve Valencia's 4,500 connections versus one to service Santa Cruz's 16,500 connections), many more pumps of lower capacity are operated to meet the demand. As a result, the power costs of Valencia are twice that of Santa Cruz per connection.



LABOR

Finally, the last graph demonstrates that labor costs associated with a developer-led infrastructure program are double that of a regionally planned system.



Q. Are the differences noticeable from a resource standpoint?

A. Yes. If we look at the overall consumption patterns for the period November 2007 to October 2008, the average per dwelling unit in Valencia is 12% higher than in the SCWC service area.⁶ That does not sound like a lot, but it represents 239,000,000 gallons of water over the course of a year in SCWC. It is a massive savings. So for each Valencia customer more water must be treated for arsenic removal compared to Santa Cruz. This is another factor that leads to increased arsenic removal costs per connection for Valencia relative to Santa Cruz.

⁶ Average consumption in Valencia = 11,878 gallons per dwelling unit per month. Average consumption in SCWC = 10,592 gallons per dwelling unit per month. These figures include all consumption with the exception of construction water.

1 **Q. Valencia nonetheless meets the arsenic standard?**

2 A. Yes. The arsenic levels in the distribution system are maintained below the MCL. We
3 achieve this through operating six separate treatment facilities.

4 **Q. How have these facilities fared?**

5 A. From an arsenic reduction perspective, there can be no doubt the systems work. The
6 question is at what cost. Unlike Global Water, the former owners of West Maricopa
7 Combine (the parent company of Valencia) did not maintain technical expertise on staff,
8 and relied on the developers to fund (and therefore control) the arsenic remediation
9 process. As a result, there was a lack of planning put into the specific elements associated
10 with the treatment facilities, specifically, they:

- 11 • Failed to take into account competing ions such as vanadium (very little
12 water quality analysis was performed prior to installation of the ArsenXnp
13 media systems. The treatment system supplier stipulated to using the water
14 quality data supplied by Valencia, which did not have sufficient detail to
15 judge future performance).
- 16 • Failed to consider the overall operating costs associated with operating six
17 distinct systems as opposed to a regional facility.
- 18 • Underestimated the capital costs.
- 19 • They failed to perform coordinating activities – e.g. concrete, pipework,
20 control and instrumentation.

21 The result is that we are now stuck with systems that can never achieve the economies of
22 scale that could have been attained if the system had been considered holistically.

23
24 **Q. Why didn't Global change this before implementation?**

25 A. Very simply, the acquisition of West Maricopa Combine took place in summer 2006 – five
26 months after the federally mandated MCL became effective, and the systems were in
27 various states of construction/delivery. ADEQ had given water utilities an additional grace

1 period to 31 December 2007 to achieve compliance with the MCL, and there was no time
2 to make any changes to the decisions made by the former owners.

3 It is a case of having to execute a flawed, partly completed, plan in order to meet a
4 regulatory deadline.

5
6 **Q. Specifically, what are the issues associated with the systems?**

7 A. Again, the systems work from an arsenic reduction perspective. The costs associated with
8 the following have been very high:

9
10 1. ArsenXnp regeneration. This proprietary media must be regenerated when consumed. We
11 monitor the breakthrough of arsenic in the system and schedule regeneration. The
12 regeneration requires that the media be removed, transported under chain of custody to an
13 approved regeneration facility, returned, sterilized and placed back into service. This
14 process takes approximately 6 weeks from identification of breakthrough to return of the
15 media and costs in the order of \$15,000 to \$20,000. The higher levels of vanadium⁷ in the
16 Valencia water, which was never considered in the design process, causes the media to be
17 consumed and require regeneration much more often than originally expected. Vanadium
18 consumes available receptors in the media, is adsorbed preferentially to arsenic, and
19 therefore has resulted in drastically reduced "bed volumes"⁸ from the systems⁹.

20
21 2. The rapid consumption of the media has meant that Valencia must keep on hand a spare
22 volume of media for replenishment purposes.

23
24
25

⁷ Vanadium is not a regulated contaminant under the SDWA.

26 ⁸ Bed volumes refers to the volume of water that can be passed through the media prior to
27 contaminant breakthrough.

28 ⁹ The ArsenXnp manufacturer (Purolite) based their performance projections on a vanadium level
29 of 10 mg/L. Valencia water contains 37 to 75 mg/L.

- 1 3. The costs associated with the coagulation/filtration facility include chemical oxidation,
- 2 residual disposal, and additional pumping costs.
- 3
- 4 **Q. Are these costs continuing?**
- 5 A. These costs will be continuous, and will increase as the volume requiring treatment
- 6 increases.
- 7
- 8 **Q. How has Global taken action to minimize these costs?**
- 9 A. Global has taken several steps to control these costs. We have attempted to consolidate
- 10 treatment to the minimum number of facilities required to treat the volume necessary to
- 11 meet the demand. Nonetheless, at peak time periods we must have access to all treatment
- 12 facilities.
- 13
- 14 We were able to interject and amend the design requirements for facilities in the Valencia
- 15 Water Company - Greater Buckeye Division (Sonoran Ridge public water system) and in
- 16 Water Utility of Greater Tonopah (Sunshine and B&D public water systems). These
- 17 systems were designed by Global and include sufficient capacity and control so as to
- 18 minimize costs.
- 19
- 20 **Q. What is the total amount invested in Valencia Water Company – Town Division's**
- 21 **arsenic treatment facilities?**
- 22 A. The total amount invested in Valencia Water Company – Town Division's arsenic
- 23 treatment facilities is \$3,070,128.
- 24
- 25 **Q. What are the annual operating expenses of these facilities?**
- 26 A. The annual operating expenses of these facilities is \$73,262.
- 27

1 **Q. Is Valencia delivering water that meets the current Arsenic MCL?**

2 A. Yes.

3

4 **Q. Does that conclude your supplemental testimony?**

5 A. Yes it does.

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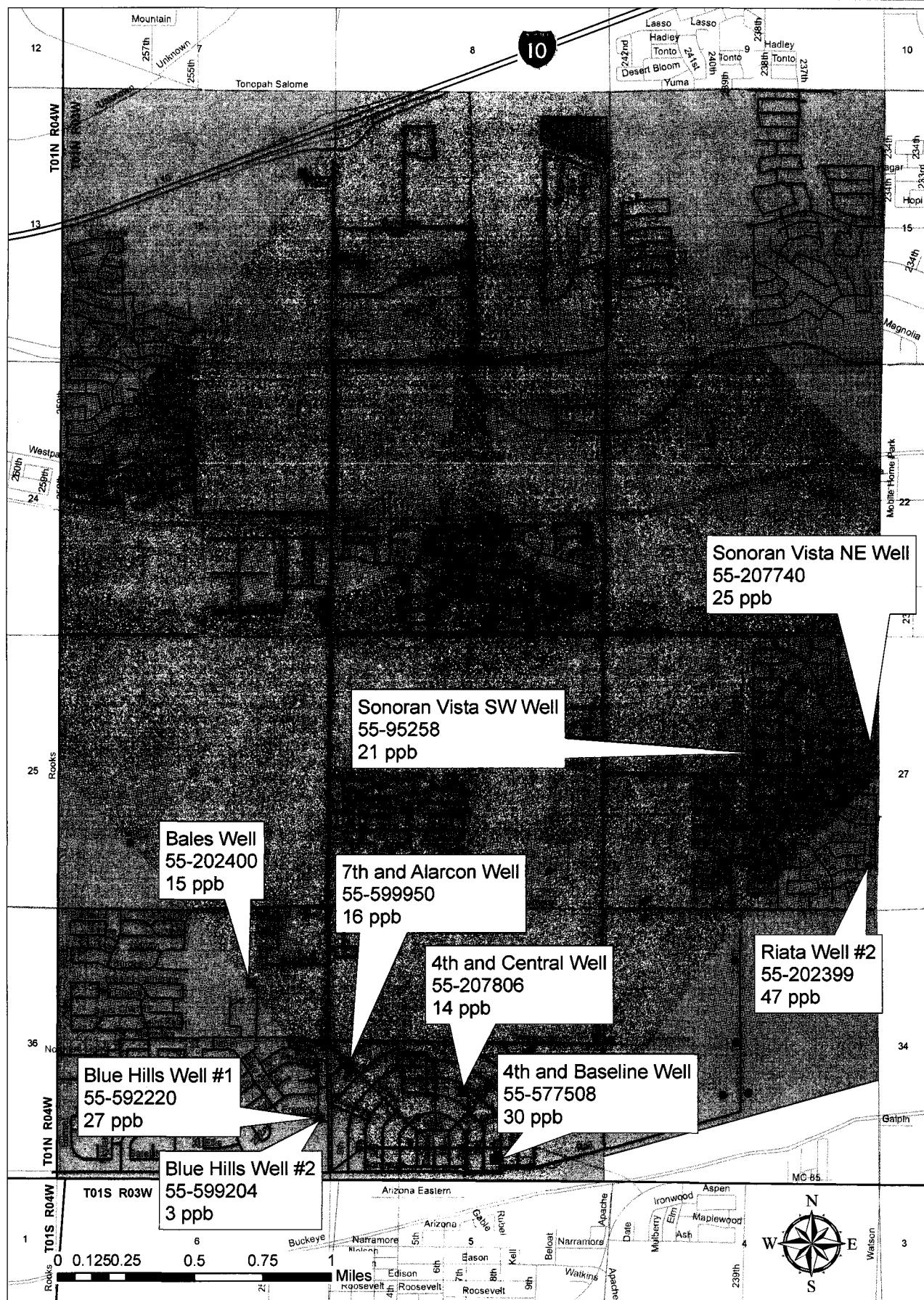
ATTACHMENT

SYMMONDS - 1



GLOBAL WATER
RELIABLE • RENEWABLE • REUSABLE

Valencia Water Company Town Division



• Well

■ EPDS Sampling Station

— Water Main

CC&N

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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BOB STUMP

IN THE MATTER OF THE APPLICATION OF
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ARIZONA

DOCKET NO. W-01212A-09-0082

Supplemental Testimony

of

Jamie Moe

In Support of Arsenic Surcharge

April 13, 2009

- 1 **Q.** Please state your name, occupation and business address.
- 2 **A.** My name is Jamie Moe. I am a regulatory accountant employed by Global Water
3 Management, LLC (“GWM” or “Global Management”). My business address is 21410
4 North 19th Avenue #201, Phoenix, Arizona 85027.
- 5
- 6 **Q.** Are you the same Jamie Moe that filed Direct Testimony in this case?
- 7 **A.** Yes.
- 8
- 9 **Q.** What is the purpose of your supplemental testimony?
- 10 **A.** I testify in support of Valencia Water Company – Town Division’s (“Valencia”) request
11 for an Arsenic Cost Recovery Surcharge.
- 12
- 13 **Q.** Please described the proposed surcharge.
- 14 **A.** Valencia requests an ACRM surcharge of \$4.32 for the monthly minimum charge (5/8-
15 inch meter) and \$0.52 per 1,000 gallons for the commodity rate. The bill impact for an
16 average residential customer will be \$7.35 per month. The monthly minimum and
17 commodity rates will be reduced by \$0.51 and \$0.06 per thousand gallons, respectively,
18 twelve months after the implementation of the surcharge when the deferred media
19 replacement and waste disposal costs have been recovered through the ACRM surcharge.
- 20
- 21 **Q.** Why is Valencia making this request?
- 22 **A.** Valencia requests the implementation of the ACRM surcharge to aid the Company in its
23 efforts to comply with the United States Environmental Protection Agency’s (“EPA”) new
24 arsenic maximum contaminant level of 10 parts per billion (“ppb”) which went into effect
25 on January 23, 2006. The EPA reduced the drinking water standard for arsenic from 50
26 ppb to 10 ppb. Mr. Symmonds is also filing testimony in support of the surcharge, and he
27 describes the Valencia’s arsenic treatment facilities, capital costs, and operating costs.

1 **Q. How does this relate to the pending rate case?**

2 A. Valencia is requesting the inclusion of the arsenic treatment plant and related costs in the
3 full rate case. The ACRM surcharge will terminate upon the approval and implementation
4 of new permanent rates, which would include the arsenic treatment plant and costs.

5

6 **Q. Have you prepared schedules supporting the proposed surcharge?**

7 A. Yes. This Step-One and Step-Two filing is supported by the attached schedules and work
8 papers, as required under the Arizona Corporation Commission's ACRM procedure.

9

10 **Q. Does this conclude your testimony?**

11 A. Yes.

12

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Valencia Water Company, Town Division
Balance Sheet
As of December 31, 2008

Schedule 1

Line
No.

1	ASSETS	
2		
3	Current Assets	
4	131 Cash and cash equivalents	\$ 550
5	132 Special Deposits	141,274
6	141 Customer Accounts Receivable	451,728
7	142 Other Accounts Receivable	
8	143 Accumulated Provision for Uncollectible Accounts	(67,308)
9	151 Plant Material and Supplies	22,545
10	162 Prepayments	9,569
11	125 Other Investments	11,739
12	173 Accrued utility revenue	43,566
13		
14	Total Current Assets	\$ 613,663
15		
16	Utility Plant	
17	Total Utility Plant in Service	\$ 45,877,418
18	105 Construction work-in-progress	4,158,437
19	108 Less:Accumulated Depreciation	(3,071,499)
20		
21	Total Fixed Assets (Net)	\$ 46,964,356
22		
23	OTHER ASSETS	
24	114 Utility Plant Acquisition Adjustments	\$ 10,457,124
25	190 Accumulated Deferred Income Taxes	380,947
26		
27	Total Other Assets	\$ 10,838,071
28		
29	TOTAL ASSETS	\$ 58,416,090
30		
31	LIABILITIES AND CAPITAL	
32		
33	Current Liabilities	
34	231 Accounts payable	\$ 816,117
35	232 Notes Payable	108,880
36	233 Accounts Payable to Associated Companies	
37	235 Customer Deposits	162,132
38	236 Accrued Taxes	93,836
39	237 Accrued Interest	19,213
40	241 Miscellaneous Current and Accrued Liabilities	755,575
41	253 Other Deferred Credits	64,459
42		
43	Total Current Liabilities	\$ 2,018,212
44		
45	Long-Term Debt (Over 12 Months)	
46	224 Other Long-Term Debt	\$ 2,274,705
47		
48	Total Long-Term Debt	\$ 2,274,705
49		
50	Deferred Credits and Other Liabilities	
51	252 Advances for Construction	\$ 37,992,781
52	271 Contributions In Aid of Construction	890,221
53	272 Accumulated Amortization of Contributions In Aid of Construction	(98,283)
54		
55	Total Deferred Credits and Other Liabilities	\$ 38,784,719
56		
57	Total Liabilities	\$ 43,077,636
58		
59	Capital Accounts	
60	211 Other Paid-In Capital	\$ 14,635,325
61	215 Unappropriated Retained Earnings	852,970
62	215 Current year net income	(149,841)
63		
64	Total Members' Equity	\$ 15,338,454
65		
66	TOTAL LIABILITIES AND CAPITAL	\$ 58,416,090
67		
68		
69		
70		

Valencia Water Company, Town Division
Income Statement
For the Twelve Months Ending December 31, 2008

Schedule 2

Line No.		
1		
2	Operating Revenue	\$ 3,071,159
3		
4	Operating Expenses	
5	Operation & Maintenance	\$ 1,741,932
6	Depreciation	1,135,750
7	Taxes Other Than Income	138,998
8	Income Taxes	55,849
9	Total Operating Expenses	\$ 3,072,529
10		
11	Operating Income	\$ (1,370)
12		
13	Other (Income) and Deductions	
14	Other (Income) - Net	\$ 297
15		
16	Interest on Long-Term Debt	(141,308)
17	Other Interest & Amortization	(7,458)
18	Total Interest	\$ (148,766)
19		
20	Total Other (Income) and	
21	Deductions	\$ (148,469)
22		
23	Net Income	\$ (149,839)
24		
25		
26		
27		
28		
29		
30		

Valencia Water Company, Town Division
Earnings Test
For the Twelve Months Ending December 31, 2008

Schedule 3

Line No.	[A]
1	
2 Revenue:	
3 Total Operating Revenue	\$ 3,071,159
4	
5 Operating Expenses:	
6 Operation & Maintenance	\$ 1,741,932
7 Depreciation	1,135,750
8 Taxes Other Than Income	138,998
9 Income Tax	55,849
10 Total Operating Expenses	\$ 3,072,529
11	
12 Operating Income/(Loss)	\$ (1,370)
13	
14 Rate Base O.C.L.D. (Includes arsenic plant)	\$ 4,402,147
15 (Sch. 7)	
16	
17 Rate of Return - O.C.L.D	-0.03%
18	
19 Operating Margin	-0.04%
20	
21 Interest Expense - Net	\$ (148,766)
22	
23 Interest Coverage	
24 ([L12 + L9] / L21)	(0.37)
25	
26 Other (Income) and Deductions	297
27	
28 Equity	\$ 15,338,454
29	
30 Return on Equity	
31 ([L12 - L21 - L26] / L28)	-0.98%
32	
33 Authorized Return on Equity (Dec. 60832)	10.41%
34	
35	

**Valencia Water Company, Town Division
Rate Review
For the Twelve Months Ending December 31, 2008**

Schedule 4

Line No.		[A]	[B]	[C]	[D]
1					
2					
3					
4					
5					
6	Revenue:				
7	Total Operating Revenue	\$ 341,085	\$ 3,071,159	\$ 622,512	\$ 3,693,671
8					
9	Operating Expenses:				
10	Operation & Maintenance	\$ 204,727	\$ 1,741,932	\$ 146,525	\$ 1,888,457
11	Depreciation	43,776	1,135,750	81,369	1,217,119
12	Taxes Other Than Income	20,791	138,998	-	138,998
13	Income Tax	15,809	55,849	87,724	143,573
14	Total Operating Expenses	\$ 285,103	\$ 3,072,529	\$ 315,617	\$ 3,388,146
15					
16	Operating Income/(Loss)	\$ 55,982	\$ (1,370)	\$ 306,895	\$ 305,525
17					
18	Rate-Base O.C.L.D.	\$ 537,773	\$ 1,454,072	\$ 2,948,075	\$ 4,402,147
19	(Sch. 7)				
20					
21	Rate of Return - O.C.L.D	10.41%	-0.09%	10.41%	6.94%
22					
23	Authorized Return on Equity (Dec. 60832)	10.41%	10.41%	10.41%	10.41%
24					
25	Operating Margin	16.41%	-0.04%	49.30%	8.27%
26					
27	Interest Expense	\$ -	\$ (148,766)	\$ -	\$ (148,766)
28					
29	Interest Coverage	N/A	(0.37)	N/A	(3.02)
30	([L16 + L13] / L27)				
31					
32	Other (Income) and Deductions	\$ -	\$ 297	\$ -	\$ 297
33					
34	Equity	\$ 537,773	\$ 15,338,454	\$ 15,338,454	\$ 15,338,454
35					
36	Return on Equity	10.41%	-0.98%	2.00%	1.02%
37	([L16 - L27 - L32] / L34)				
38					
39					
40					

Valencia Water Company, Town Division
Revenue Requirement
As of December 31, 2008

Schedule 5

Line No.	[A]	[B]	[C]	[D]
Arsenic Compliance Revenue Requirement:				
1				
2				
3				
4	Test Year Data:			
5	Arsenic Plant in Service	\$ 3,070,128		
6	Accumulated Depreciation	<u>\$ (122,053)</u>		
7	Arsenic Rate Base	\$ 2,948,075		
8	Authorized Return on Equity (Dec. 60832)	10.41%		
9	Required Operating Income	\$ 306,895		
10	Gross Revenue Conversion Factor (Dec. 60832)	<u>1.2858</u>		
11	Revenue Required - Return on Arsenic Treatment Plant	\$ 394,618		
12	Depreciation on Arsenic Treatment Plant (Valencia Arsenic Plant)	\$ 81,369		
13				
14	Revenue Required - Capital Costs	<u>\$ 475,987</u>		
15				
16	Recurring O&M	\$ 73,262		
17				
18	Revenue Required - Capital Costs & Recurring O&M Expenses	<u>\$ 549,249</u>		
19				
20	Revenue Required - Deferred O&M Expenses	<u>\$ 73,262</u>		
21				
22	Total Revenue Required - Steps 1 & 2 Combined	<u>\$ 622,512</u>		
23				
24				
25				
26				
27				
28	Authorized Rates			
29	Minimum 5/8" x 3/4"			
30	Commodity (Per 1,000)			
31				
32				
33				
34				
35				

Valencia Water Company, Town Division
Revenue Requirement
As of December 31, 2008

Schedule 6

Valencia Water Company, Town Division
Revenue Requirement
As of December 31, 2008

Schedule 7

Line No.	[A]	[B]	[C]	[D]	[E]	[F]
1						
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7	Per Decision <u>60832</u>	Arsenic Plant Increase	Decision Plus Arsenic Increase (Col A + Col B)	Actual Balance Less As Plant 12/31/2008	Arsenic (As) Plant Increase	Actual Plus Arsenic Increase (Col D + Col E)
8	\$ -	\$ 3,070,128	\$ 3,070,128	\$ 3,070,128	\$ 3,070,128	\$ 3,070,128
9			\$ 1,651,714	\$ 42,807,290		42,807,290
10	Other Utility Plant in Service					
11	Total Plant in Service	\$ 1,651,714	\$ 3,070,128	\$ 42,807,290	\$ 3,070,128	\$ 45,877,418
12	Accumulated Depreciation	<u>431,916</u>	<u>122,053</u>	<u>2,949,446</u>	<u>122,053</u>	<u>3,071,499</u>
13	Net Plant	\$ 1,219,798	\$ 2,948,075	\$ 4,167,873	\$ 39,857,844	\$ 42,805,919
14	Advances	739,961	-	739,961	37,982,781	37,992,781
15	Contributions	-	-	791,938	-	791,938
16	Deferred Income Tax	-	-	(380,947)	-	(380,947)
17	Working Capital Allowance	<u>57,936</u>	<u>57,936</u>	-	-	-
18	Total Rate Base	<u>\$ 537,773</u>	<u>\$ 2,948,075</u>	<u>\$ 3,485,848</u>	<u>\$ 1,454,072</u>	<u>\$ 2,948,075</u>
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Valencia Water Company, Town Division
CWIP Ledger
As of December 31, 2008

Schedule 8

Line

No.

1 The information is provided in the attachments showing
2 the arsenic project report which details the CWIP ledger:

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Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY WILDER

Valencia Water Company, Inc
Project Transactions

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Report: PA150.rpt
Company: 618

project_name = '61806039', AND project_name >= '61806052') AND (pitran.batch_type = 'VO')

GL Subaccount	00-00	GCOLLINS	Default
Project Manager	6118-06-045-		Gordon Collins
Project	01-2006	Thru	4th Baseline Arsenic Treatment
Period			11-2008

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

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Report: PA150.rpt
Company: 618

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount
Project Manager
Project
Period
00-00
GCOLLINS
618-06-045-
01-2008 Thru
11-2008

Default
Gordon Collins
4th Baseline Arsenic Treatment

Task Description Account Category Employee	Vendor	Company	Transaction date	Source	Comment	Hours	Amount
50-40 Engg & Design - Drawings & Spec		DARCOR & Associates	618 1/2/2008	VO	DARCOR 07019-07	0.00	3,448.50
CIP DARCOR 056268	23754 0000						
* Total CIP						0.00	3,448.50
** Task 50-40 Net							-3,448.50
50-50 Engg & Design - Spec Consultant		Instrulink, LLC	618 8/30/2007	VO	INSLIN 1390	0.00	10,679.00
CIP INSLIN 047790	23754 0000					0.00	10,679.00
* Total CIP							-10,679.00
** Task 50-50 Net							
70-60 Constr - Materials & Equipment		Bookers Crane Servic	618 1/19/2007	VO	HOOSER 106702	006256	0.00
CIP HOOSER 027300	23754 0000					0.00	383.75
* Total CIP							-383.75
** Task 70-50 Net							
70-65 Constr - Installations		Layne Christensen Co	618 2/6/2007	VO	LAYCOM - 61806045	- 01	0.00
CIP LAYCOM 032354	23754 0000					008278	65,337.03
CIP LAYCOM 030193	23754 0000					007722	94,861.50
CIP RDHENRY 050323	23754 0000	RDH Environmental Se	618 10/1/2007	VO	RDHENRY 6770	011595	0.00
CIP LAYCOM 052145	23754 0000	Layne Christensen Co	618 10/29/2007	VO	LAYCOM - 61806045	- 01	0.00
						012057	50,116.43

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc

Project Transactions

(pjproj.project <= '61806039') AND (pjtran.project_type = 'VO')

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Report: PA150.rpt
Company: 618

Gl. Subaccount	00-00	Default
Project Manager	GCOLLINS	Gordon Collins
Project	618-06-045-	4th Baseline Arsenic Treatment
Period	01-2006 Thru	11-2008

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY:WILDER

Valencia Water Company, Inc

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Report: PA150.rpt
Company: 618

Project Transactions

(pjproj:project>= '61806039') AND (pjproj:project<= '61806052') AND (pjtran:batch_type = 'VO')

GL Subaccount	00-00	Default
Project Manager	GCOLLINS	Gordon Collins
Project	618-06-045-	4th Baseline Arsenic Treatment
Period	01-2006 Thru	11-2008

Task Description	Vendor	Transaction date	Company	Source	Comment	Hours	Amount
Account Category Employee							-233,244.43

*** Total Subaccount Net 00-00

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount
Project Manager
Project
Period

00-00 GCOLLINS
618-06-044-
01-2008 Thru 11-2008

Default
Gordon Collins
4th Central Arsenic Treatment

Task Description
Account Category Employee

Task Description	Account Category	Employee	Vendor	Transaction date	Company	Source	Comment	Hours	Amount
30-50 Planning - Special Consultants									
CIP	BETENG	024463	Bethke Eng	618	12/13/2006	VO	BETENG	0.00	4,000.00
CIP	BETENG	026242	Bethke Eng	618	1/4/2007	VO	BETENG	120	0.00
CIP	BETENG	028531	Bethke Eng	618	2/6/2007	VO	BETENG	1.23	800.00
CIP	BETENG	030307	Bethke Eng	618	3/2/2007	VO	BETENG	1.28	1,000.00
CIP	BETENG	032401	Bethke Eng	618	4/7/2007	VO	BETENG	1.32	1,000.00
CIP	BETENG	033235	Bethke Eng	618	6/29/2007	VO	BETENG	1.38	1,129.24
* Total CIP									
** Task 30-50 Net									
CIP	MARCOU	0673114	Maricopa County Envi	618	9/16/2008	VO	Maricopa County Environment	0.00	2,700.00
* Total CIP									
** Task 50-85 Net									
70-65 Constr - Installations									
CIP	LAYCOM	030192	Layne Christensen Co	618	2/17/2007	VO	LAYCOM - 61806044 - 01	0.00	98,899.87
CIP	LAYCOM	032353	Layne Christensen Co	618	2/26/2007	VO	LAYCOM - 61806044 - 01	0.00	27,544.42
* Total CIP									
** Task 50-85 Net									
CIP	LAYCOM	030192	Layne Christensen Co	618	2/17/2007	VO	LAYCOM - 61806044 - 01	0.00	98,899.87
CIP	LAYCOM	032353	Layne Christensen Co	618	2/26/2007	VO	LAYCOM - 61806044 - 01	0.00	27,544.42

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

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Company: 618

(pjproj.project>='61806039') AND (pjproj.project <='61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount	00-00
Project Manager	GCOLLINS
Project Period	618-06-044- 01-2006 Thru 11-2008

Default

Gordon Collins
4th Central Arsenic Treatment

Task Description
Account Category Employee

Vendor	Company	Transaction date	Source	Comment	Hours	Amount
Layne Christensen Co	618	10/23/2007 VO	LAYCOM - 61805044 - 01	012057	0.00	52,339.27
23753	0000	12/18/2007 VO	LAYCOM - 61805044 - 01	012809	0.00	39,582.44
23753	0000	1/05/2010 VO	USABLU	013834	0.00	427.50
USA Bluebook	618	3/14/2008 VO	3339625		0.00	218,793.50
23753	0000					-218,793.50
* Total CIP						
** Task 70-65 Net						
Legend Technical Ser	618	5/30/2008 VO	LEGTEC		0.00	134.00
23753	0000		0806301		015170	
Legend Technical Ser	618	5/30/2008 VO	LEGTEC		015170	540.00
23753	0000		0804809		015170	
TestAmerica Laborato	618	6/30/2008 VO	TESAME		0.00	445.68
23753	0000		083007-1353185		015742	
Legend Technical Ser	618	7/19/2008 VO	LEGTEC		015918	
23753	0000		0807763		015918	
Legend Technical Ser	618	7/21/2008 VO	LEGTEC		0.00	75.25
23753	0000		0809325		016104	
Legend Technical Ser	618	8/22/2008 VO	LEGTEC		0.00	24.00
23753	0000		0810521		016701	
Legend Technical Ser	618	8/22/2008 VO	LEGTEC		0.00	34.00
23753	0000		0811531		016701	
* Total CIP						0.00
** Task 90-70 Net						-1,328.93
*** Project	618-06-044-	Revenue				0.00
*** Project	618-06-044-	Expense				228,751.67
*** Project	618-06-044-	Net				-228,751.67

Date: Thursday, December 18, 2008
Time: 7:29:16AM
User: LUCY,WILDER

Valencia Water Company, Inc
Project Transactions

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount
Project Manager
Project
Period

00-00
ECOLLINS
618-06-044-
01-2008 Thru
11-2008

Default
Gordon Collins
4th Central Arsenic Treatment

Task Description	Vendor	Transaction	Company	date	Source	Comment	Hours	Amount
Account Category Employee								-228,751.67

*** Total Subaccount Net 00-00

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Report: PA150.rpt
Company: 618

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY WILDER

Valencia Water Company, Inc

Project Transactions

```
 WHERE project >= '61806039' AND project <= '61806052') AND (pjtran.batch_type = 'VO')
```

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Company: 618

GL Subaccount 00-00
Project Manager GCOLLINS
Project 618-06-052-
Period 01-2006 Thru 11-2008
Default
Gordon Collins
7th Alarcon Arsenic Treatment

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc

Project Transactions

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount Default
Project Manager Gordon Collins
Project 618-06-052-
Period 01-2006 Thru 11-2008
 7th Alarcon Arsenic Treatment.

Task Description Account Category Employee	Vendor	Company	Transaction date	Source	Comment	Hours	Amount
*** Total Subaccount Net 00-00							-61,348.30

Date: Thursday, December 18, 2008
 Time: 7:29:15AM
 User: LUCY.WILDER

Valencia Water Company, Inc

Project Transactions

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount	Project Manager	Project Period
00-00 GCOLLINS	618-06-042-	01-2006 Thru 11-2008

Default
 Gordon Collins
 Bales Arsenic Treatment

Task Description Account Category Employee

Vendor	Company	Transaction date	Source	Comment	Hours	Amount
Layne Christensen Co	618	7/23/2007	VO	LAYCOM - 61806042 - 01	0.00	19,510.51
RDH Environmental Se	618	7/24/2007	VO	RDENV - 61806042 - 02	0.00	5,051.00
RDH Environmental Se	618	7/24/2007	VO	PAY APP 4	010440	
RDH Environmental Se	618	7/24/2007	VO	Change Order # 3	0.00	15,760.40
RDH Environmental Se	618	7/24/2007	VO	PAY APP 4	010440	
RDH Environmental Se	618	7/24/2007	VO	Change Order # 5	0.00	8,081.95
RDH Environmental Se	618	8/23/2007	VO	PAY APP 4	010440	
RDH Environmental Se	618	8/23/2007	VO	Change Order # 3	0.00	6,214.19
RDH Environmental Se	618	8/23/2007	VO	PAY APP 5	010987	
RDH Environmental Se	618	8/23/2007	VO	Change Order # 4	0.00	1,406.25
RDH Environmental Se	618	8/23/2007	VO	PAY APP 5	010987	
RDH Environmental Se	618	8/23/2007	VO	Change Order # 5	0.00	42,265.97
RDH Environmental Se	618	9/24/2007	VO	PAY APP 5	010987	
RDH Environmental Se	618	9/24/2007	VO	Change Order # 5	0.00	20,470.00
RDH ENV	050094			PAYAPP 6	011553	
* Total CIP						0.00
** Task 70-65 Net						-612,657.51
90-70 Start Up + QA/QC						-612,657.51
CIP	043687 # 14603					
TESAME	0000					
CIP	052978					
TESAME	0000					
CIP	056240					
LEGTEC	0000					
CIP	058002					
LEGTEC	0000					
CIP	058231					
LEGTEC	0000					
TestAmerica Laborato	618	6/29/2007	VO	TESTAM	0052007-GL	0009960
TestAmerica Laborato	618	11/15/2007	VO	TESTAM	092007-1353185	012216
Legend Technical Ser	618	1/2/2008	VO	LEGTEC	0717568	012520
Legend Technical Ser	618	1/25/2008	VO	LEGTEC	0800069	013315
Legend Technical Ser	618	2/7/2008	VO	LEGTEC	0801671	013389

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

Valencia Water Company, Inc
Project Transactions
(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

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Report: PA150.rpt
Company: 618

GL Subaccount Project Manager
Project Period
00-00 G-COLLINS
618-06-042- 01-2006 Thru 11-2008
Default Gordon Collins
Bales Arsenic Treatment

Task Description Account Category Employee

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Task Description

Account Category Employee
**** Total Subaccount Net 00-00

Valencia Water Company, Inc
Project Transactions

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052')

GL Subaccount

Project Manager

Project Period

00-00

GCOLLINS

618-06-042-

01-2006

Thru

11-2008

Bales Arsenic Treatment

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Report:

PA150.rpt

Company:

618

Hours
Source
Comment
Transaction
date
Company
Vendor
Subaccount
Net 00-00

Hours

Source

Comment

Transaction

date

Company

Vendor

Subaccount

Net 00-00

Amount

-626,396.41

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc.
Project Transactions

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Company: 618

```
((pjproj.project >= '61806039') AND (pjtran.project <= '61806052')) AND (pjtran.batch_type = "VO")
```

L Subaccount
Project Manager
Project
Period

00-00	GCOLLINS	01-2006	Thru
618-06-041-			
			11-2008

Default
Gordon Collins
Blue Hills Arsenic Treatment

Date: Thursday, December 18, 2008
Time: 7:28:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

(pjproj.project>= '61806033') AND (pjproj.project <= '61806052') AND (pjtran.batch_type='VO')

GL Subaccount
Project Manager
Project Period
618-06-041-
01-2006 Thru 11-2008

Default
Gordon Collins
Blue Hills Arsenic Treatment

Task Description	Account Category	Employee	Vendor	Company	Transaction date	Source	Comment	Hours	Amount
CIP	LAYCOM	027333	Layne Christensen Co	618	12/19/2006	VO	LAYCOM - 61806041 - 01	0.00	164,205.08
CIP	LAYCOM	025143 #75346 12-22-Due	Hookers Crane Servic	618	12/23/2006	VO	PAY APP 1 HOOSEN	0.00	529.25
HOOSER			23751	0000			105341	0.00	
CIP	LAYCOM	030190	Layne Christensen Co	618	1/22/2007	VO	LAYCOM - 61806041 - 01	0.00	8,784.91
CIP	LAYCOM	030394	Prime Contracting	618	3/4/2007	VO	PRICON 503-01	0.00	14,993.17
CIP	LAYCOM	041577	Layne Christensen Co	618	4/26/2007	VO	LAYCOM - 61806041 - 01	0.00	19,545.29
CIP	LAYCOM	039732	Prime Contracting	618	5/3/2007	VO	PRICON 503-02	0.00	16,202.00
CIP	LAYCOM	044938	Layne Christensen Co	618	6/27/2007	VO	LAYCOM - 61806041 - 01	0.00	2,893.32
CIP	LAYCOM	044939	Layne Christensen Co	618	6/27/2007	VO	LAYCOM - 10520109	0.00	
CIP	LAYCOM	043691	Layne Christensen Co	618	6/29/2007	VO	LAYCOM - 10520110	0.00	
CIP	LAYCOM	043725	Weber Group, LC	618	6/29/2007	VO	WEBGRO 0006191-IN	0.00	840.00
CIP	LAYCOM	048710	Layne Christensen Co	618	9/17/2007	VO	LAYCOM 10520127	0.00	64,115.35
CIP	SPPWOR	052262 #17511 11-20-07	Sprinkler World - Ph	618	10/31/2007	VO	SPPWOR S2009663.001	0.00	1,692.27
CIP	PRICON	057968	Prime Contracting	618	12/3/2007	VO	Labor and materials 120307	0.00	969.00
* Total CIP									
** Task 70-65 Net									
90-20 Start Up - Fees									
0.00 206,889.74									
-306,889.74									

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Report: PA150.rpt
Company: 618

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

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Report: PA150.rpt
Company: 618

(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtrans.batch_type = 'V0')

GL Subaccount 00-00
Project Manager GCOLLINS
Project 618-06-041-
Period 01-2006 Thru 11-2008

Default
Gordon Collins
Blue Hills Arsenic Treatment

Task Description
Account Category Employee

Vendor	Company	Transaction date	Source	Comment	Hours	Amount
CIP	Fluid Solutions	618	V0	FLUDSOL	0.00	2,756.17
FLUDSOL		23750	0000	4285	010004	0.00
						2,756.17
						-2,756.17
* Total CIP 7-6-07						
** Task 90-20 Net						
90-70 Start Up - QA/QC						
CIP	TestAmerica Laborato	618	V0	TESAME	0.00	67.50
FLUDSOL		23750	0000	042007-CNL	009521	0.00
				TESAME	0.00	2,547.50
				052007-CNL	009950	0.00
				TESAME	0.00	2,091.00
				062007-14110208	010451	0.00
				TESAME 3rd Qtr Testing	010947	0.00
				072007-1333185	012920	0.00
				TESAME	0.00	46.36
				112007-1333185	012920	0.00
						5,244.36
						-5,244.36
* Total CIP 7-6-07						
** Task 90-70 Net						
*** Project 618-06-041- Revenue						
*** Project 618-06-041- Expense						
*** Project 618-06-041- Net						
						0.00
						360,763.11
						-360,763.11

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc

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Company: 618

Project Transactions

(pjproj:project >= '61806039') AND (pjproj:project <= '61806052') AND (pjtran.batch_type = 'V0')

GL Subaccount	00-00	Default
Project Manager	GCOLLINS	Gordon Collins
Project	618-06-041-	Blue Hills Arsenic Treatment
Period	01-2006 Thru	11-2008

Task Description	Vendor	Transaction date	Source	Comment	Hours	Amount
Account Category Employee						

*** Total Subaccount Net 00-00

-360,763.11

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

Project transactions

[pjproj].project >= '61806039' AND [pjproj].project <= '61806052') AND (pjtran.batch_type = 'VO')

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Report: PA150.rpt
Company: 618

Company: 618

GL Subaccount	00-00	GCOLLINS	Default
Project Manager	61-18-05-039-		Gordon Collins
Project	01-2006	Thru	Sonoran Vista Arsenic Treatment
Period			

Task Description	Account Category	Employee	Vendor	Company	date	Source	Comment	Hours	Amount
50-20 Eng & Design - Fees									259.81
CIP	044033		Fluid Solutions	618	7/2/2007	VO	FLUSOL	0.00	0.00
FLUSOL		23748	0000	Manicopa County Envi	618	6/30/2008	VO	MARCOU	0.00
CIP	067371	23748	0300				07078	015729	3,240.00
MARCOU								0.00	3,499.81
		* Total CIP							-3,499.81
50-40 Engg & Design - Drawings & Spec									
CIP	028356		Shapton & Partners,	618	2/5/2007	VO	SHAPAR	0.00	3,500.00
SHAPAR		23748	0000				7024	007223	2,826.45
CIP	029072		Fluid Solutions	618	2/19/2007	VO	FLUSOL	0.00	2,250.00
FLUSOL		23748	0000				4043	007455	0.00
CIP	030395		EIC Engineers, LLC	618	3/4/2007	VO	EICENG	0.00	197.1
EICENG		23748	0000				FLUSOL	007249	0.00
CIP	039758		Fluid Solutions	618	5/3/2007	VO	FLUSOL	0.08774	19.20
FLUSOL		23748	0000				4219		143.00
CIP	045727		Fluid Solutions	618	7/30/2007	VO	FLUSOL	0.00	200.00
FLUSOL		23748	0000				4357	010451	0.00
CIP	05549244 / 8371		Scout Engineering	618	12/27/2007	VO	SCOENG	0.00	2,400.00
SCOENG		23748	0000				26	012744	0.00
CIP	05549244 / 8371		Scout Engineering	618	12/27/2007	VO	SCOENG	0.00	2,400.00
SCOENG		23748	0000				25	012744	0.00
CIP	05549244 / 8371		Scout Engineering	618	12/27/2007	VO	SCOENG	0.00	2,400.00
SCOENG		23748	0000	Manicopa County Envi	618	4/29/2008	VO	MARCOU	0.00
CIP	063223						07078/0408	014669	3,240.00
MARCOU								0.00	15,840.65

Date: Thursday, December 18, 2008
Time: 7:29:15AM
User: LUCY.WILDER

Valencia Water Company, Inc
Project Transactions

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Company: 618

(pjproj.project >= '61806039') AND (pjproj.project <= '61806032') AND (pjtran.batch_type = 'VO')

GL Subaccount
Project Manager
Project
Period
00-00
GCOLLINS
618-039-
01-2008 Thru
11-2008
Default
Gordon Collins
Sonoran Vista Arsenic Treatment

Task Description Account Category Employee.	Vendor	Company	Transaction date	Source	Comment	Hours	Amount
** Task 50-40 Net							-15,840.65
50-45 Eng & Design - Studies & Rpts							
CIP	030193	Fluid Solutions	618	3/4/2007	VO FLUSOL	0.00	6,640.30
CIP	FLUSOL	23748	0000	12/19/2007	VO 3347revised	0.07749	
CIP	Scout Engineering	618			AOC Application	0.00	800.00
SCOENG	055657	23748	0000		3.4	0.12782	
CIP	Scout Engineering	618	2/5/2008	VO	AOC for Sonoran Vista ATS	0.00	100.00
SCOENG	060124	23748	0000		4.3	0.13924	
* Total CIP						0.00	7,540.30
** Task 50-45 Net							-7,540.30
50-85 Eng & Design - Admin							
CIP	027301	Thomas Repographics	618	1/19/2007	VO THOREP	0.00	29.34
THOREP	23748	0000		7733362		0.06596	
* Total CIP						0.00	29.34
** Task 50-85 Net							-29.34
70-60 Constr - Materials & Equipment							
CIP	0332406	Engineered Sales Com	618	4/7/2007	VO ENGSCO	0.00	7,150.63
ENGSCO	23748	0000			124335	008285	
CIP	United Rentals NOrth	618	9/11/2007	VO UNIREN	66571633-001	0.00	1,114.38
UNIREN	23748	0000			011189	0.00	8,265.01
* Total CIP							-8,265.01
** Task 70-60 Net							
70-65 Constr - Installations							

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Valencia Water Company, Inc
Project Transactions

J. S. J.
Report: PA1150.rpt
Comments: 6118

(migr1.project >= '61806038') AND (migr1.project <= '61806052') AND (pitran.batch_type = 'VO')

GL Subaccount
Project Manager
Project Period

Default
Gordon Collins
Sonoran Vista Arsenic Treatment

00-00
GCOLL
618-05-
01-2008

Task Description

Account Category Employee

Task Description	Employee	Account Category	Vendor	Company	Transaction date	Source	Comment	Hours	Amount
CIP	030189	LAYCOM	Layne Christensen Co	618	2/19/2007	VO	LAYCOM - 61806039 - 01 10520056	0.00	266,249.22
CIP	032351	GARCON	Garney Construction	618	4/3/2007	VO	GARCON - 61806039 - 03 Pay App 1	0.00	70,110.00
CIP	039252	GARCON	Garney Construction	618	4/3/2007	VO	GARCON - 61806039 - 03 Pay App 1	0.00	7,790.00
CIP	039295	LAYCOM	Layne Christensen Co	618	4/30/2007	VO	LAYCOM - 61806039 - 01 Pay App 1 Adj	0.00	21,600.69
CIP	039296	LAYCOM	Layne Christensen Co	618	4/30/2007	VO	LAYCOM - 61806039 - 01 Pay App 2	0.00	146,499.40
CIP	039297	LAYCOM	Layne Christensen Co	618	4/30/2007	VO	LAYCOM - 61806039 - 01 Pay App 3	0.00	140,094.65
CIP	039298	GARCON	Garney Construction	618	5/1/2007	VO	GARCON - 61806039 - 03 Pay App 2	0.00	71,610.03
CIP	039299	GARCON	Garney Construction	618	5/1/2007	VO	GARCON - 61806039 - 03 Pay App 2	0.00	7,956.67
CIP	041643	GARCON	Garney Construction	618	5/25/2007	VO	GARCON - 61806039 - 03 Change Order # 2	0.00	75,287.82
CIP	041643	GARCON	Garney Construction	618	5/25/2007	VO	GARCON - 61806039 - 03 Pay App 3	0.00	18,848.00
CIP	043998	GARCON	Garney Construction	618	5/25/2007	VO	GARCON - 61806039 - 03 Change Order # 3	0.00	22,618.00
CIP	043998	GARCON	Garney Construction	618	5/25/2007	VO	GARCON - 61806039 - 03 Pay App 3	0.00	294.70
CIP	043998	GARCON	Garney Construction	618	6/25/2007	VO	GARCON - 61806039 - 03 Pay App 4	0.00	48,819.47
CIP	043998	GARCON	Garney Construction	618	6/25/2007	VO	GARCON - 61806039 - 03 Change Order # 2	0.00	190.00
CIP	043998	GARCON	Garney Construction	618	6/26/2007	VO	GARCON - 61806039 - 01 Pay App 4	0.00	428,987.13
CIP	043998	LAYCOM	Layne Christensen Co	618	6/26/2007	VO	LAYCOM - 61806039 - 01 10520106	0.00	0.00
CIP	043998	LAYCOM	Layne Christensen Co	618	6/29/2007	VO	LAYCOM - 61806039 - 01 520004	0.00	0.00

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Valencia Water Company, Inc
Project Transactions

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(pjproj.project => '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount
Project Manager
Project Period
618-06-039-
01-2008 Thru 11-2008

Default
Gordon Collins
Sonoran Vista Arsenic Treatment

Task Description
Account Category Employee

Vendor	Company	Transaction date	Source	Comment	Hours	Amount
Broomhead Electric, 618	7/25/2007 VO	BROOME	010340	0.00	472.51	
23748 0000	9/17/2007 VO	LAYCOM	011297	0.00	105,777.69	
Layne Christensen Co 618	10/20/2007 VO	GARCON	011595	0.00	9,805.00	
23748 0000	10/1/2007 VO	GARNEY Construction	014229	0.00	3,359.00	
23748 0000	3/3/2008 VO	PO #3 - Retention Basin Worl	014229	0.00	2,555.00	
23748 0000	3/25/2008 VO	PO #3 - Retention Basin Worl	014229	0.00	10,961.00	
Garney Construction 618	9/07/2007 VO	Garney Construction	014642	0.00	1,457,953.76	
23748 0000	4/25/2008 VO	PO #3 - Retention Basin Worl	014642	0.00	-1,457,953.76	
* Total CIP						
** Task 70-65 Net						
90-70 Start Up - QA/QC						
CIP TESAME 23748 0000	6/29/2007 VO	TESAME	052007-GLL	009960	0.00	120.00
CIP TESAME 23748 0000	7/30/2007 VO	TESAME	062007-1410208	010451	0.00	16.50
CIP TESAME 23748 0000	8/28/2007 VO	TESAME	072007-1353185	010947	0.00	135.00
CIP TESAME 23748 0000	11/15/2007 VO	TESAME	092007-1353185	012216	0.00	83.68
CIP TESAME 23748 0000	1/2/2008 VO	LEGTEC		0.00	61.75	
CIP LEGTEC 23748 0000	0717568			012920	0.00	510.88
CIP TESAME 23748 0000	1/2/2008 VO	TESAME	112007-1353185	012920	0.00	702.20
CIP TESAME 23748 0000	1/2/2008 VO	TESAME	102007-1353185	012920	0.00	
056243 17/8/04						

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Valencia Water Company, Inc
Project Transactions

(pjproj.project>='61806039') AND (pjproj.project <='61806052') AND (pjtran.batch_type='VO')

GL Subaccount	00-00	Default
Project Manager	GCOLLINS	Gordon Collins
Project Period	618-06-039-01-2008	Sonoran Vista Arsenic Treatment
	Thru 11-2008	

Task Description
Account Category Employee

Vendor	Company	Transaction date	Source	Comment	Hours	Amount
CIP	Legend Technical Ser	618-1/25/2008	VO	LEGTEC	0.00	148.50
LEGTEC	23748 00000			0800069	013315	
CIP	Legend technical Ser	618-1/7/2008	VO	LEGTEC	0.00	553.00
LEGTEC	23748 00000			0801671	013389	
CIP	TestAmerica Laborato	618-6/30/2008	VO	TESAME	0.00	3,260.95
TESAME	23748 00000			082007-1353185	015742	
	* Total CIP				0.00-	6,495.65
	** Task 90-7Q Net					-6,495.66
*** Project 618-06-039- Revenue						0.00
*** Project 618-06-039- Expense						1,499.624.53
*** Project 618-06-039- Net						-1,499.624.53

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Project Transactions

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(pjproj.project >= '61806039') AND (pjproj.project <= '61806052') AND (pjtran.batch_type = 'VO')

GL Subaccount	00-00	Default
Project Manager	GCOLLINS	Gordon Collins
Project	618-0-039-	Sonoran Vista Arsenic Treatment
Period	01-2006 Thru	11-2008

Task Description	Vendor	Transaction	Hours	Amount
Account Category Employee	Company	date	Source	Comment

*** Total Subaccount Net 00-00

-1,499,624.53

**Valencia Water Company, Town Division
3-Factor Calculation
As of December 31, 2008**

Schedule 9

Valencia Water Company, Town Division
Typical Bill Analysis
As of December 31, 2008

Schedule 10

Line No.	Gallons Consumption	Present Rates	Proposed Rates	Percent Increase
1		\$ 13.00	\$ 17.32	33.26%
2	-	15.86	20.71	30.55%
3	1,000	18.72	24.09	28.67%
4	2,000	21.58	27.47	27.28%
5	3,000	24.44	30.85	26.22%
6	4,000	27.30	34.23	25.38%
7	5,000	30.16	37.61	24.70%
8	6,000	33.02	40.99	24.14%
9	7,000	35.88	44.37	23.67%
10	8,000	38.74	47.75	23.27%
11	9,000	41.60	51.13	22.92%
12	10,000	44.46	54.51	22.62%
13	11,000	47.32	57.90	22.35%
14	12,000	50.18	61.28	22.11%
15	13,000	53.04	64.66	21.90%
16	14,000	55.90	68.04	21.71%
17	15,000	70.20	84.94	21.00%
18	20,000	84.50	101.85	20.53%
19	25,000	156.00	186.37	19.47%
20	50,000	227.50	270.90	19.07%
21	75,000	299.00	355.42	18.87%
22	100,000			
23				
24				
25	Average Residential Consumption	5,817	5,817	
26				
27	Average Residential Bill	\$ 29.64	\$ 36.99	24.82%
28				
29				
30				
31	Minimum Rate	\$ 13.00	\$ 17.32	
32				
33	Commodity Rate (per 1,000 gallons)	\$ 2.86	\$ 3.38	
34				
35				